

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 2009-202-C - ORDER NO. 2009-556

AUGUST 12, 2009

IN RE: Application of FTC Diversified Services,	)	ORDER APPROVING
Inc. for Expanded Authority to Serve	)	EXPANDED
throughout the State of South Carolina and	)	CERTIFICATE
for Alternative Regulation of Interexchange	)	
Services	)	

This matter comes before the Public Service Commission of South Carolina (“Commission”) on the Application of FTC Diversified Services, Inc. (“FTC” or “the Company”) for an amendment to its Certificate of Public Convenience and Necessity, pursuant to S.C. Code Ann. Section 58-9-280 (Supp. 2008) and the rules and regulations of the Commission. FTC seeks to provide local exchange and exchange access services to customers throughout the State of South Carolina. FTC has previously been issued a Certificate of Public Convenience and Necessity by this Commission in Order No. 1998-927, transferring to FTC the Certificate of its sister company, FTC Communications, Inc. Additionally, in Order No. 2001-255, this Commission expanded the Company’s authority, authorizing it to provide local exchange and exchange access service to customers located in and around the Town of Hemingway. Further, the Company requests that its interexchange services offerings be regulated in accordance with procedures established for alternative regulation in Order Nos. 1995-1734 and 1996-55.

By letter, the Commission instructed the Applicant to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the areas affected by the Application. The purpose of the Notice of Filing was to inform interested parties of the manner and time in which to file the appropriate pleadings for participation in the proceeding. The Company complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. A Petition to Intervene was received from the South Carolina Telephone Coalition ("SCTC"). Subsequently, counsel for SCTC filed with the Commission a Stipulation. The SCTC withdrew its opposition to the granting of a statewide Certificate of Public Convenience and Necessity to the Company provided the conditions contained in the Stipulation are met. The Stipulation is approved and attached as Order Exhibit 1. The Office of Regulatory Staff ("ORS") subsequently filed a letter stating that it had no opposition to this Commission granting the expanded Certificate.

The Company has filed a Motion for Expedited Review of its Application. FTC states, *inter alia*, that it has served the public and demonstrated its technical, financial, and managerial capabilities to provide local exchange and exchange access service throughout the State of South Carolina, and it continues to meet all other requirements of certification. FTC asserts that, given the Stipulation with the SCTC, which removes any objection to the Application from the sole intervenor in this proceeding, and the current service provided to the public under prior orders of the Commission, which demonstrates the Company's ability to maintain high standards of service in compliance with Commission policies, industry standards, rules, regulations, and Orders of the

Commission, this Commission should grant expedited review of the Application. We agree with FTC's assertions, and grant expedited review. We note that the Motion for Expedited Review was accompanied by the verified testimony of Guy D. Adams, Jr., Chief Operating Officer of the Company. We will base our findings on the written record of this case, including Adams' written testimony.

Adams outlined the procedural history outlined above as regards how the Company obtained its original authority and the scope thereof. If the expanded Certificate is granted, Adams states that FTC intends to provide local exchange service to customers located in local exchange carriers' service areas in South Carolina, via its own facilities, resale, or unbundled leased elements. With regard to interexchange services, the Company proposes that its interexchange business service offerings, consumer card services, and operator service tariffs not be required to state maximum rate levels and that such tariff filings be presumed valid upon filing, with the understanding that the Commission has the right within seven (7) days to establish an investigation of the tariff filing. This plan is consistent with the policy and procedures set out and described in Order Nos. 98-1734 and 96-55 in Docket No. 95-661-C, as modified by Order No. 2001-997. This mode of regulation is known as modified alternative regulation. FTC already operates its local services under flexible regulation, as provided under Order No. 1999-840 in Docket No. 98-127-C.

The witness affirmed that the Company has sufficient technical, financial, and managerial resources and ability to provide the telecommunications services for which authority is sought in its Application. Adams notes that the financial condition of the

Company will support its ability to provide services in the expanded areas sought. Adams also stated that the Company will continue to offer service to the public consistent with the standards of the industry, and the rules, regulations, and Orders of the Commission.

Adams also notes that the provision of service by FTC in the requested service area will enhance competition in South Carolina by offering additional service options and high service quality to South Carolina telecommunications users.

We have examined the entire record of this case, including the Application and the verified written testimony of witness Adams, and have determined and so hold that the Application should be approved as filed. We believe that the Company possesses the managerial, financial, and technical resources to provide the statewide services requested. Accordingly, the Company may provide its services statewide as proposed, subject, however, to the terms of the Stipulation between the Company and the South Carolina Telephone Coalition.

Under the Commission approved modified alternative regulation, which we adopt for FTC, the business service offerings of the Company, including consumer card services and operator services, are subject to a relaxed regulatory scheme identical to that granted to AT&T Communications in Order Nos. 95-1734 and 96-55 in Docket No. 1995-661-C. However, pursuant to Order No. 2001-997 (Docket No. 2000-407-C), this Commission has modified alternative regulation by the re-imposition of rate caps with regard to certain "operator-assisted calls" where a customer uses a local exchange carrier's calling card to complete calls from locations which have not selected that local

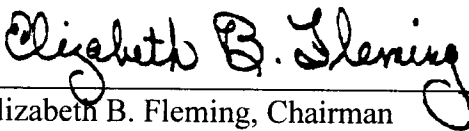
exchange carrier as the toll provider. Order No. 2001-997, dated November 8, 2001, imposed a maximum cap of \$1.75 for operator surcharges for such calls, and a maximum cap of \$0.35 related to the flat per-minute rate associated with these calls. Under this relaxed regulatory scheme, tariff filings for business services shall be presumed valid upon filing. The Commission will have seven (7) days in which to institute an investigation of any tariff filing. If the Commission institutes an investigation of a particular tariff filing within the seven days, the tariff filing will then be suspended until further Order of the Commission. Any relaxation in the future reporting requirements that may be adopted for AT&T shall apply to the Company also.

All previously granted waivers and ordered reporting requirements shall continue as previously stated by this Commission.

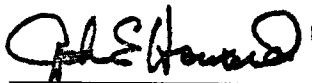
If it has not already done so by the date of issuance of this Order, FTC shall file its revised tariff utilizing the Commission's e-filing system for tariffs. The revised tariff should be electronically filed in a text searchable PDF format using the Commission's DMS System (<http://dms.psc.sc.gov>). An additional copy should be sent via email to [etariff@psc.sc.gov](mailto:etariff@psc.sc.gov) to be included in the Commission's ETariff System (<http://etariff.psc.sc.gov>). Future revisions to the tariff should be made using the ETariff System. The revised tariff shall be consistent with the findings of this Order and shall be consistent with the Commission's Rules and Regulations.

This Order shall remain in full force and effect until further order of the Commission.

BY ORDER OF THE COMMISSION:

  
Elizabeth B. Fleming, Chairman

ATTEST:

  
John E. Howard, Vice Chairman  
(SEAL)

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA

Docket No. 2009-202-C

Re: Application of FTC Diversified Services, Inc.     )  
for a Certificate of Public Convenience and     )  
Necessity to Provide Local Exchange and     )  
Exchange Access Services in the State of     )  
of South Carolina     )  
\_\_\_\_\_ )

**STIPULATION**

The South Carolina Telephone Coalition ("SCTC") (see attachment "A" for list of companies) and FTC Diversified Services, Inc. ("FTC Diversified") hereby enter into the following stipulations. As a consequence of these stipulations and conditions, SCTC does not oppose FTC Diversified's Application. SCTC and FTC Diversified stipulate and agree as follows:

1. SCTC does not oppose the granting of a statewide Certificate of Public Convenience and Necessity to FTC Diversified, provided the South Carolina Public Service Commission ("Commission") makes the necessary findings to justify granting of such a certificate, and provided the conditions contained within this stipulation are met.

2. FTC Diversified stipulates and agrees that any Certificate which may be granted will authorize FTC Diversified to provide service only to customers located in non-rural local exchange company ("LEC") service areas of South Carolina, except as provided herein.

3. FTC Diversified stipulates that it is not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas.

4. FTC Diversified stipulates and agrees that it will not provide any local service, by its own facilities or otherwise, to any customer located in a rural incumbent LEC's service area, unless and until FTC Diversified provides such rural incumbent LEC and the Commission with written

notice of its intent to do so at least thirty (30) days prior to the date of the intended service. During such notice period, the rural incumbent LEC will have the opportunity to petition the Commission to exercise all rights afforded it under Federal and State law. Also, FTC Diversified acknowledges that the Commission may suspend the intended date for service in rural LEC territory for ninety (90) days while the Commission conducts any proceeding incident to the Petition or upon the Commission's own Motion, provided that the Commission can further suspend the implementation date upon showing of good cause.

5. FTC Diversified stipulates and agrees that, if FTC Diversified gives notice that it intends to serve a customer located in a rural incumbent LEC's service area, and either (a) the Commission receives a Petition from the rural incumbent LEC to exercise its rights under Federal or State law within such 30-day period, or (b) the Commission institutes a proceeding of its own, then FTC Diversified will not provide service to any customer located within the service area in question without prior and further Commission approval.

6. FTC Diversified acknowledges that any right which it may have or acquire to serve a rural telephone company service area in South Carolina is subject to the conditions contained herein, and to any future policies, procedures, and guidelines relevant to such proposed service which the Commission may implement, so long as such policies, procedures, and guidelines do not conflict with Federal or State law.

7. The parties stipulate and agree that all rights under Federal and State law are reserved to the rural incumbent LECs and FTC Diversified, and this Stipulation in no way suspends or adversely affects such rights, including any exemptions, suspensions, or modifications to which they may be entitled.

8. FTC Diversified agrees to abide by all State and Federal laws and to participate, to the extent it may be required to do so by the Commission, in the support of universally available telephone service at affordable rates.

---

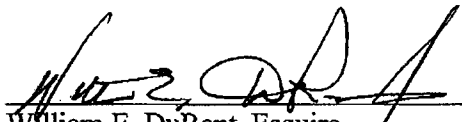


9. FTC Diversified hereby amends its application and its prefiled testimony in this docket to the extent necessary to conform with this Stipulation.

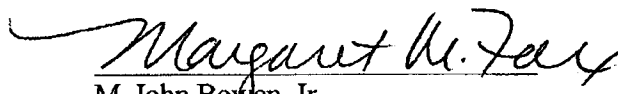
AGREED AND STIPULATED to this 9th day of July,  
2009.

FTC Diversified Services, Inc.

South Carolina Telephone Coalition:

  
William E. DuRant, Esquire  
Schwartz, McLeod, DuRant & Jordan  
10 Law Range  
Sumter, South Carolina 29150

Attorneys for Applicant FTC Diversified  
Services, Inc.

  
M. John Bowen, Jr.  
Margaret M. Fox  
Sue-Ann Gerald Shannon  
McNair Law Firm, P.A.  
Post Office Box 11390  
Columbia, South Carolina 29211  
(803) 799-9800

Attorneys for the South Carolina  
Telephone Coalition

ATTACHMENT A

South Carolina Telephone Coalition Member Companies  
for Purposes of Local Service Stipulation

Chesnee Telephone Company

Chester Telephone Company

Farmers Telephone Cooperative, Inc.

Ft. Mill Telephone Company

Home Telephone Company, Inc.

Lancaster Telephone Company

Lockhart Telephone Company

McClellanville Telephone Company

Norway Telephone Company

Palmetto Rural Telephone Cooperative, Inc.

Piedmont Rural Telephone Cooperative, Inc.

Pond Branch Telephone Company

Ridgeway Telephone Company

Rock Hill Telephone Company

Sandhill Telephone Cooperative, Inc.

St. Stephen Telephone Company

West Carolina Rural Telephone Cooperative, Inc.

Williston Telephone Company